

## **Program A: Administration**

Program Authorization: R.S.49: 991-999

### **PROGRAM DESCRIPTION**

The mission of the Administration Program is to provide a neutral forum for handling administrative hearings for certain state agencies, with respect for the dignity of individuals and their due process rights.

The goals of the Administration Program are:

1. To provide due process to the citizens of the state and to the executive branch agencies, through fair hearings conducted by independent and impartial administrative law judges.
2. To maintain the independence and integrity of the Division of Administrative law and protect the role of the administrative law judge as an impartial hearing officer.
3. To continue to develop a more efficient and fair hearing and decision process.

The Division of Administrative Law (DAL) handles and conducts adjudications for executive branch agencies and issues final decisions in those cases.

The DAL began October 1, 1996, as Louisiana's first centralized administrative hearings division. The division's caseload is still being determined, as agencies continue to forward new cases, new agencies and/or new programs begin enforcement actions that lead to administrative hearings, and judicial challenges to agencies' non-transfer of their adjudications to DAL are resolved. The numbers and types of cases that the DAL is likely to receive as a result of new laws and rules enforced by other agencies are not determinable in advance and could fluctuate greatly. Legislative changes to the DAL's statutory list of included or exempted agencies can occur. Litigation among agencies and respondent persons, contesting the DAL's jurisdiction to conduct particular types of hearings, is expected to continue. These external factors are largely outside the DAL's control and can affect attainment of the DAL's objectives.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1.(KEY) To docket cases and conduct administrative hearings as requested by parties.

Strategic Link: This operational objective is related to Strategic Objective 1: *Docket cases and conduct hearings as requested by parties during FY 1998-2003.*

Louisiana: *Vision 2020* Link: To the extent that state agencies' administrative hearings have been centralized in the Division of Administrative Law, it supports the Vision 2020 Goal 1, Objective 1.8: *To improve the efficiency and accountability of governmental agencies.*

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Number of cases docketed	9,500	11,322	9,500	9,500	9,500	9,500
K	Percentage of cases docketed that are properly filed and received	100%	100%	100%	100%	100%	100%
K	Number of hearings conducted	9,000	8,623	9,000	7,900	7,900	7,900
S	Number of pre-hearing conferences conducted	500	926	500	440	440	440
S	Number of settlements	900	1,316	900	800	800	800

Note: The agency indicates that the position and budget cuts recommended for FY 2001-2002 could result in reduced customer service, increased errors in docketing and noticing cases, and delays in and failure to meet statutory deadlines for scheduling, conducting, and/or deciding cases.

2. (KEY) To issue decisions and orders in all unresolved cases.

Strategic Link: This operational objective is related to Strategic Objective 2: *Issue decisions and orders in all unresolved cases in FY 1998-2003.*

Louisiana: Vision 2020 Link: To the extent that state agencies' administrative hearings have been centralized in the Division of Administrative Law, it supports the Vision 2020 Goal 1, Objective 1.8: *To improve the efficiency and accountability of governmental agencies.*

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Number of decisions or orders issued	7,500	8,601	7,500	6,600	6,600	6,600

GENERAL PERFORMANCE INFORMATION: DIVISION OF ADMINISTRATIVE LAW				
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1996-97 <sup>1</sup>	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Number of cases docketed	9,058	10,841	10,835	11,322
Percentage of cases docketed of those properly filed and received	100%	100%	100%	100%
Number of hearings conducted	7,993	10,244	9,347	8,623
Number of prehearing conferences conducted	352	531	628	926
Number of settlements	Not available	988	1,157	1,316
Number of decisions or orders issued	7,098	8,256	7,785	8,601
Total dollar amount of penalties assessed <sup>2</sup>	\$884,445	\$1,227,977	\$641,807	\$711,872

<sup>1</sup> The Division of Administrative Law (DAL) began operation on October 1, 1996, therefore only 9 months of data for FY 1996-1997 are available. Also, figures for the first 9 months of operations may be less accurate than second year figures, due to development and improvement of data collection during the first few months, and the inclusion of transferred cases at DAL's startup.

<sup>2</sup> This is a former performance indicator which DAL will continue to track as general performance information since it is not an indicator of performance. Penalties are not an accurate gauge of performance because so many of the cases do not involve a dollar penalty. Penalties are largely beyond DAL's control, as the penalty sought is set either by the agency or by law. Also the penalty assessed as the result of ALJs' decisions is sometimes determined by the referring agency, according to a statutory schedule. Therefore, the penalties assessed dollar figure reflects only a portion of the monetary outcome of DAL's decisions.

The following chart compares the states with centralized administrative hearings panels. Each state's jurisdiction is different, and the balance of high and low complexity cases and the types of cases handled vary widely. However, the following chart offers the best comparison of the fair and reasonable operating cost and personnel needs of a statewide central administrative hearings division. Source: The information for the nationwide comparison was gathered from responses to a written survey completed by participants at the 2000 Central Panel Directors' Conference, and from telephone calls to some of the listed states to clarify answers to some questions. As indicated below, the Division of Administrative Law reports that its average cost per hearing (\$232) is 7% of the southern regional average (\$2,975) and 10% (\$2,174) of the national average. The division's average hearing caseload per administrative law judge (ALJ) (616) is the highest in the nation.

GENERAL PERFORMANCE INFORMATION: STATES WITH CENTRALIZED ADMINISTRATIVE HEARINGS PANELS, 2000 <sup>1</sup>									
STATE	ANNUAL BUDGET OF HEARINGS PANELS	3 MOST NUMEROUS TYPES OF CASES	NUMBER OF CASES FILED	NUMBER OF HEARINGS CONDUCTED	COST PER HEARING <sup>2</sup>	NUMBER OF ALJs <sup>3</sup>	NUMBER OF SUPPORT STAFF	AVERAGE HEARINGS CASELOAD PER ALJ <sup>4</sup>	NUMBER OF DECISIONS / ORDERS
Alabama	\$500,000	State Board of Adjustment; Medicaid Appeals; License Disciplinary Actions	341	281	\$1,779	5	3	56	562
Arizona	\$2,346,800	Indigent Health Care; Reg. Of Contractors; Revenue	7,097	3,464	\$677	18 ALJs and 2 hearings officers	13	182	3,464
California	\$11,000,000	Dept. of Devp. Services; Medical Board of CA; Contractors License Board	7,344	6,627	\$1,660	42	34	158	2,248
Colorado	\$3,200,000	Workers Comp; Public Benefit/Medicaid; Prof. Occupational License	13,648	3,772	\$901	16	13	236	14,010
Florida	\$8,537,944	Prof. Licensing Discipline; Nursing Homes; Other Licensed Facilities	5,317	3,310	\$2,579	38	35	87	4,664
Georgia	\$4,607,306	Drivers Lic. Suspension; Food Stamps; Implied Consent	22,000	6,000	\$768	29 full-time and 6 contract	26	207-133; (170 est.avg)	5,500 est.
Iowa	\$2,045,140	DOT; DHS; Revenue & Finance	10,000	10,000	\$205	19	9	526	10,000
LOUISIANA	\$2,001,102	Dept. of Public Safety; Dept. of Wildlife & Fisheries; Dept of Insurance	11,322	8,623	\$232	14	11	616	8,601

Maryland	\$10,258,000	Motor Vehicle Admin.; Consumer Protection/Securities; Medical Boards	47,337	27,698	\$370	72	69	(avg. est. 385) 450 bench & 60 written decisions	27,698
Massachusetts	\$737,000	Contributory Retirement Appeal Board; Div. Health Care Finance; Div of Capital Asset Management	1,254	410	\$1,798	8	4	51	369 written
Michigan	\$3,969,000	Bureau of Commercial Services-Builders; Bureau of Safety & Reg. MIOSHA; Office of Ins.& Financial Services-Rate Appeals	3,100	2,000	\$1,985	20	24	100	1,700
Minnesota	\$6,997,486	Workers Comp; Licensing Boards	AL-572; WC-4,357	AL est 201; WC 851	\$6,652	9 ALJs and 36 WC judges	53	23	Not available
Missouri	\$904,824	Sales Tax, Income Tax, Professional Licensing	3,606	362 (hearing hrs)	\$2,500	3 Commissioners	14	121	3,606
New Jersey	Exclude emp. Benefits \$7,567,000	Human Services (Welfare); Motor Vehicle; Merit System (Civil Service Appeals)	12,135	3,571	\$2,119	35	65 (for hearings)	102	3,571
New York	Not available	Profl. Medical Conduct; Medicaid Fraud; Abuse Medicaid Rate Audit	614	600	Not available	13 full-time; 12 part-time contract; (equiv. 17 full- time)	4	35	600
North Carolina	\$3,012,625	Environmental Health & Human Svcs; Alcoholic Beverage Control	1,622	276	\$10,915	9	13	31	752
North Dakota	\$711,256	Workers Comp; Dept of Human Svcs; Professional Licenses	600	330	\$2,155	13	3	25	300
Oregon (began 1-1-00)	\$10,800,000	Unemployment Ins; Spousal & Child Support; Implied Consent	27,000	27,000	\$400	80	55	338	27,000
South Carolina	\$1,879,999	Dept. of Revenue; Games (Video Poker); Dept of Health & Environmental Control	1,091	211	\$8,910	6	21	35	634
Tennessee	\$1,553,000	TennCare; Safety; Civil Service	3,731	1,800	\$863	15	5	120	1,540

Texas	\$6,300,000	Admin. License Revocation; Workers Comp; Cosmetology Comm	20,889	17,340	\$363	60	61	289	19,596
Washington	\$11,000,000	Unemployment Benefits; Public Assistance; Child Support	46,032	25,000	\$440	66 plus 6 pro tem	73	379-305; (342 est avg)	21,122
Wisconsin	\$4,000,000	Probation/Parole Revocation; Food Stamps; Medicaid	11,698	5,200	\$769	26.5	22	196	5,200
Wyoming	\$720,000	Workers Comp; Drivers License; Licensing Boards	1,800	750	\$960	9	10	83	650
NATIONAL AVERAGE	\$4,294,442		12,628	7,582	\$2,975	29	27	199	7,727
SOUTHERN REGIONAL AVERAGE	\$4,549,934		11,021	6,487	\$2,174	29.0	27.0	179	7,104

<sup>1</sup> Information is from a written survey of central panels with information current as of July 1, 2000. The central panel states of Maine and South Dakota did not complete the survey.

<sup>2</sup> Cost per hearing = budget divided by number of hearings.

<sup>3</sup> ALJ = Administrative Law Judge.

<sup>4</sup> Average hearings caseload per ALJ = number of hearings divided by the number of ALJs.

<sup>5</sup> Southern regional average includes: Alabama, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Tennessee and Texas.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$463,441	\$463,134	\$463,134	\$466,399	\$0	(\$463,134)
STATE GENERAL FUND BY:						
Interagency Transfers	1,467,834	1,507,468	1,507,468	1,507,468	1,902,572	395,104
Fees & Self-gen. Revenues	13,681	30,500	30,500	30,500	22,500	(8,000)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<b>\$1,944,956</b>	<b>\$2,001,102</b>	<b>\$2,001,102</b>	<b>\$2,004,367</b>	<b>\$1,925,072</b>	<b>(\$76,030)</b>
EXPENDITURES & REQUEST:						
Salaries	\$1,311,912	\$1,170,898	\$1,170,898	\$1,206,943	\$1,144,588	(\$26,310)
Other Compensation	18,847	50,886	50,886	50,886	50,886	0
Related Benefits	217,585	207,239	207,239	212,540	221,574	14,335
Total Operating Expenses	340,790	491,286	491,286	502,988	478,434	(12,852)
Professional Services	6,887	41,250	41,250	20,035	19,500	(21,750)
Total Other Charges	4,498	5,705	5,705	5,705	4,820	(885)
Total Acq. & Major Repairs	44,437	33,838	33,838	5,270	5,270	(28,568)
TOTAL EXPENDITURES AND REQUEST	<b>\$1,944,956</b>	<b>\$2,001,102</b>	<b>\$2,001,102</b>	<b>\$2,004,367</b>	<b>\$1,925,072</b>	<b>(\$76,030)</b>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	32	28	28	28	26	(2)
Unclassified	1	1	1	1	1	0
TOTAL	<b>33</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>27</b>	<b>(2)</b>

## SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, and Fees and Self-generated Revenues. The Interagency Transfers are from various state agencies for which the Division of Administrative Law conducts administrative hearings. The Fees and Self-generated Revenues are derived from the sale of transcripts.



## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$463,134</b>	<b>\$2,001,102</b>	<b>29</b>	<b>ACT 11 FISCAL YEAR 2000-2001</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$463,134</b>	<b>\$2,001,102</b>	<b>29</b>	<b>EXISTING OPERATING BUDGET – December 15, 2000</b>
\$7,010	\$7,010	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$12,586	\$12,586	0	Classified State Employees Merit Increases for FY 2001-2002
\$3,333	\$3,333	0	Risk Management Adjustment
\$5,270	\$5,270	0	Acquisitions & Major Repairs
(\$33,838)	(\$33,838)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$23)	0	Maintenance of State-Owned Buildings
\$78,524	\$78,524	0	Salary Base Adjustment
(\$89,350)	(\$89,350)	(1)	Attrition Adjustment
(\$16,185)	(\$16,185)	0	Salary Funding from Other Line Items
(\$42,495)	(\$42,495)	(1)	Eliminate funding and T.O. for administrative judge position
\$0	(\$862)	0	Civil Service Fees
(\$387,989)	\$0	0	Means of financing substitution-replace State General Fund with Interagency Transfers
<b>\$0</b>	<b>\$1,925,072</b>	<b>27</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$0</b>	<b>\$1,925,072</b>	<b>27</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:</b>
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$1,925,072</b>	<b>27</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 96.2% of the existing operating budget. It represents 86.7% of the total request (\$2,218,397) for this program. Adjustments resulting in decreased funding include reduced funding for acquisitions and removal of the funding and T.O. for an administrative law judge position. An unfunded position was also eliminated. The reduction in State General Fund is due to a means of financing substitution, replacing State General Fund with Interagency Transfers. The increase in Interagency Transfers Revenue is due to implementation of a billing system, where agencies are charged according to the number of hours an administrative judge works on a case.

**PROFESSIONAL SERVICES**

\$14,500	Legal expenses for contracted hearing officers
\$5,000	Interpreting services
<b>\$19,500</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

**OTHER CHARGES**

	<b>Interagency Transfers:</b>
\$4,820	Civil Service/COPT charges
<b>\$4,820</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$4,820</b>	<b>TOTAL OTHER CHARGES</b>

**ACQUISITIONS AND MAJOR REPAIRS**

\$5,270	Replacement computer equipment
<b>\$5,270</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>